Bushnell Franchises His Pizza/Arcade Concept

Nolan Bushnell, founder, and former board chairman of Atari, Inc., has purchased all rights and assets of Atari's Pizza Time Theatre, Inc. arcade/pizza parlor concept and is now heading a corporation actively soliciting franchises for these establishments all across the country. With coin operators very much in mind for franchises, Bushnell and company envision a blitz-growth in Pizza Time Theatres that could number some 1,000 throughout the U.S.A. in the next five years.

Already in operation at two locations in San Jose, Ca., Pizza Time Theatre combines the popularity of a pizza restaurant with coin-operated amusements, plus a unique system of three-dimensional, computer-controlled cartoon characters with voices and an original musical score synchronized to animated movements. (To create the sophisticated electronic technology needed to handle 450 computer instructions per second, Pizza Time Theatre has reportedly expended $1,500,000 on research and development.)

"It's a matter of public record that we sold Atari for $30 million," said Bushnell, "and I'm predicting this new idea will make me even more.

"We've done something Disney should have thought of years ago. Pizza Time Theatre is really 'Disneyland' carried to American families at the local level. In fact, we're the only place outside Disneyland where you can enjoy a computer-animated show."

Pizza Time's chairman NOLAN BUSHNELL

(Bushnell serves as chairman of the board for Pizza Time Theatres; president and chief operating officer of the company is Gene Landrum.)

According to Bushnell, plans are to franchise 90% of the pizza parlors in key geographical areas across the country. The company will retain ownership of the other 10%. The first two in San Jose are already open with a third planned for Concord's The Willows to open in March; a fourth unit is scheduled for June in Southern California. Franchises are being considered for Marin County and the San Joaquin Valley.

With franchisees, Bushnell will retain the name and concept, while providing owners with plans, formulas, training and installation of leased Cyberamics system with the characters.

"Within six months," Bushnell explained, "we'll be manufacturing the cartoon characters for our new locations and franchisees." He hopes to make his cast of four-foot figures as familiar to American youngsters as "Smokey the Bear, Superman and Mickey Mouse."

Singing and joking in a vaudeville format are Emcee Chuck E. Cheese, a street-wise, Jersey-born rat; Jasper T. Jowels, a banjo-strumming, country-singing hound; Pasqually, an Italian chef who calls out birthday wishes; and Mr. Munch, a furry purple purloiner of pizza. Helen Henny, a rock singer, is among the guest stars whose appearances are rotated. Employees, costumed as the characters, also appear regularly to greet special guests.

"What also makes us different," he continued, "is we're the only national fast food outlet encouraging group sales. That's a statement even Ray Kroc (McDonald's) can't make. We're able to do it because of the size of our units, which average 8,000 to 10,000 square feet, and because of our extraordinary entertainment package."

The menu includes a variety of pizzas, sandwiches, salads and beverages, as well as a make-your-own ice cream sundae bar. In areas where it's legal, beer and wine will be offered.

Entertainment is continuous, with shows every eight minutes in the main dining room, where the characters "live" in gilded frames above the atrium.

Special event activities for birthdays, anniversaries and other celebrations may be arranged. The party package includes an appearance by Chuck E. Cheese (in costume), computer-led cheers and sing-a-longs and free game tokens (see photo).

Game tokens are given as premiums with individual food orders or may be purchased five-for-a-dollar from a dispenser. Quarters may also be used to play the 50 to 75 video, pinball and arcade games in the "Fantasy Forest Game Preserve." A special free area for youngsters has been set aside with a "cheese" slide, rocker horses and

Pizza Time show stars Chuck E. Cheese and Jasper T. Jowls ready for grand opening of the newest location in San Jose, California.

The 'Fantasy Forest Game Preserve' in the brand new San Jose location contains more than 100 of the newest pin & arcade games.

'Puppy Pong'.

"To preserve an atmosphere of wholesome family entertainment, controls have been established to ensure that only restaurant patrons play the games," Bushnell advised.

Food and beverage operations in each Pizza Time Theatre are reportedly "tailored to provide high quality at a reasonable cost" to the consumer, while permitting the individual operator to retain margin levels above those prevailing in the pizza industry.

"We've done our homework," said Bushnell, "and we're targeting in on the pizza-eating segment of our population between the ages of 18 and 40, generally with children. By incorporating the three elements — a popular food product, participatory games and amusements, and three-dimensional animation — we think we've come up with a family entertainment center unlike anything else in existence."

On Jan. 27, Pizza Time Theatre, Inc. moved from its office space in Mountain View to a new 16,000 square feet location in Cupertino. President Gene Landrum announced the hiring of Donald K. Marks as vice president, franchising for their new family entertainment centers. (Landrum also announced that Pizza Time has received its franchise licensing agreement from the State of California Department of Corporations and has begun to sell franchises in that state.)

"Don Marks' new responsibilities with us," said Landrum, "will include all aspects of franchise development and home office administration. We believe he's made an auspicious beginning since there already have been more than 150 inquiries from potential franchisees."

Donald Marks joined Pizza Time Theatre after a career divided between W.R. Grace and Co. and Holiday Inns, Inc. He served as a financial and business analyst with W.R. Grace in New York and Memphis. Marks joined Holiday Inns in 1972 as a regional franchise director and, during his six years with that organization, gained extensive experience in food and beverage operations.

Landrum also announced the hiring of John Impson to serve as director of manufacturing. Impson comes to Pizza Time from Gould-Biomation Division, Cupertino, where he was manager of quality engineering, having progressed from product engineer and manager of product engineering. Prior to Gould, he worked as a project leader for NuGraphics, Inc., Santa Clara, and GTE Information Systems, Mountain View.

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